R E M A R K S

The Office Action issued January 9, 2007, has been received and its contents have been carefully noted.

In it, the Examiner has objected to applicant's specification as "failing to support the subject matter set forth in the claims. The specification, as originally filed does not provide support for the invention as now claimed."

In the Examiner's interpretation, the following limitations are not supported by the original specification: "*...prior to said transaction reaching its processing host system and prior to said prospective credit or debit transaction request reaching its processing host system ultimately responsible for approving or denying the charge, said delivery of the previously set borrowing account in response to a request carrying the corresponding authorization code. Information from the trigger server, said request a separate communication session independent of the financial transaction itself and prior to said prospective credit or debit transaction request reaching its financial institution's processing host system ultimately responsible for approving or denying the charge, enabling said financial institution's processing host system to*

receive said transaction request along with said downloaded account and associated account approval information necessary for the effective use of the account, in place of the authorization code initially presented to said terminal as the alternative payment method for said prospective credit or debit transaction, said account and associated account approval information to be used in said transaction, said account and associated account approval information to be used in said prospective credit or debit transaction between said terminal and host."

The Examiner deemed this language as "*containing subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. In particular, claims 1-12,13-24,26-39 are rejected under 35 U.S.C. § 112, for the reason set forth in the objection to the specification.*"

Applicant respectfully disagrees with the Examiner in his interpretation that one skilled in the art could not reasonably conceive of and implement the limitation now added into the claims in view of the original disclosure, as filed. To the contrary, applicant considers this limitation

an intrinsic part of the original design and his corresponding application, not only apparent but principally explicit and obvious to anyone skilled in the art as the following remarks will demonstrate.

The "newly added limitation", deemed unsupported by the Examiner, is nothing but the repositioning of the original claims to better distinguish the terminal implementation of the trigger system, in place of the initially proposed host implementation, which is no longer applicable to this system. This limitation added to the claims is intended simply to exclude the host implementation of the trigger system, while emphasizing the original terminal implementation and its characteristics, clearly recited and supported by the initial filling and its attached drawings.

Since its inception, the trigger system was conceptualized and subsequently filed with two possible implementations, a terminal implementation and host one; however, concerns over similarities between it's host implementation and prior existing art called re-focusing the claims around the terminal model and excluding the original host implementation.

In the terminal implementation of the trigger system, the terminal receives a secret code and uses it to retrieve

the account from the trigger server before submitting the charge request to the credit card host system; whereas in the host implementation, the terminal sends the secret code to the credit card host system, leaving to the host the responsibility to connect to the trigger server and retrieve the account information it needs for validating the charge after receiving the transaction request from the terminal.

Those two originally presented implementations are clearly defined and explained with reference to Figures 3 and 4 of the original filing:

> "FIG. 3 is a diagram of the system of the invention which provides remote cardless approval through triggers via a terminal connection" (Page 16, Lines 12-13) and "FIG. 4 is a diagram of the system of the invention which provides remote cardless approval through triggers via a host connection" (Page 16, Lines 14-15).

The addition of this limitation to the claims, now cited by the Examiner as grounds for rejection, was made to overcome similarities to other previously presented art, by better tailoring those claims away from the initially recited "dual" implementation of the trigger system, more specifically, excluding the host one (Fig 4).

Once stripped of its host implementation, the remaining "terminal implementation" of the trigger system, as disclosed in Figure 3 and further described throughout the

initial filing, not only provides full support for the language established in the current claims, but above all substantiates the irrefutable fact that applicant had complete possession of the claimed invention at the time the application was originally filed.

In his office action, the Examiner states that no support exists in the original filing to substantiate that the exchange of the account information by the secret code occurs "...*prior to said transaction reaching its processing host system" and "prior to said prospective credit or debit transaction request reaching its processing host system ultimately responsible for approving or denying the charge", and "prior to said prospective credit or debit transaction request reaching its financial institution's processing host system ultimately responsible for approving or denying the charge".*

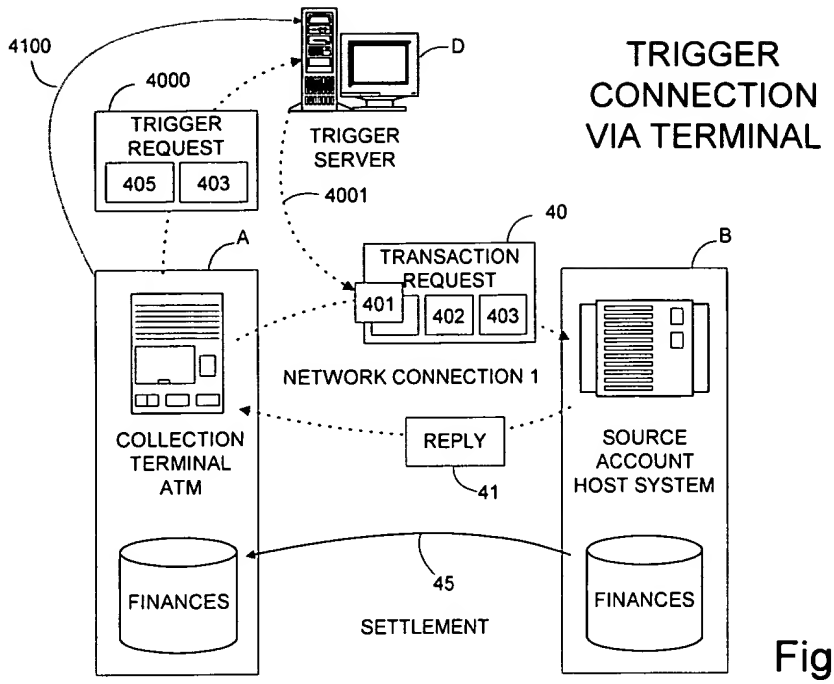

Fig. 3

Looking at Figure 3, it can be seen that the request (40) from terminal (A) to the financial institution's processing host system (B) carries the source account information 401. We can also identify that said source account 401 is shown as being received from the trigger server (D) in the reply 4001, as a result of trigger request 4000.

That fact alone corroborates that the trigger request 4000 occurs prior to transaction request 40 reaching the SOURCE ACCOUNT HOST SYSTEM (B), since transaction request 40 carries with it account 401 received in the reply 4001 from trigger server (D) (reply to request 4000).

The only possible way transaction 40 could carry account 401 to host B, is if the download of the account 401 from trigger server (D) occurred prior to transaction request 40 being sent to accountholder's host system B.

The initial filing additionally recites that only "If reply 4001 is approved, source account information is made available to terminal A, so that terminal A can attempt a transaction request 40… …to the host system at the institution B" (Page 17, Lines 16-19). This also confirms the fact that the terminal could not have had the necessary information for initiating charge request 40, unless it had downloaded account 401 prior to the transaction request 40 being submitted to account's host system B for approval.

This fact can be also substantiated on page 17, lines 19-20, where the applicant states that "the transaction request 40 is comprised of: source account information 401 received from a trigger server D".

Independent claim 1(c) in the original filing also recites that the system comprises "a requesting terminal at which the first person to enter the secret code is provided the source account approval information for a transaction up to the cap limit to the institution in which the previously provided source account is maintained" (page 38, lines 11-

14), which also means that the source account is given to the "requesting terminal" for a transaction "to the institution" in which the account is maintained once one supplies the corresponding secret code to the terminal.

The specification also explains that a terminal A can only attempt a transaction request to the account host once "reply 4001 is approved and source account information is made available to terminal A, so that terminal A can attempt a transaction request 40... ...to the host system at the institution B at which the source account 401 is maintained" (page 17, lines 16-19).

All the aforementioned references show unequivocally that the request to the trigger server (4000) followed by its corresponding reply (4001) occurs prior to the transaction (40) reaching its processing host system (B).

It is equally apparent that the transaction request (40) can be considered a *"prospective credit or debit transaction request"* since the transaction can only be attempted once "reply 4001 is approved" and "source account information is made available to terminal A" (page 17, lines 16-17). Only once in possession of account information 401, "terminal A can attempt a transaction request 40... ...to the

host system at the institution B at which the source account 401 is maintained" (page 17, lines 17-19).

By the time the account information (401) is received back from the trigger server (D) on reply 4001, the transaction request 40 not yet submitted by terminal A to its host system B is only "an event still likely to occur": not a certain, but potential and/or probable, therefore prospective, event.

Therefore, not only does the description of Figure 3 show that the exchange of the account information (401) occurs prior to the transaction request 40 being submitted to the host system B (in the drawings described as SOURCE ACCOUNT HOST SYSTEM), it clearly states that "A reply 41 to the request 40 from source account institution B to collection terminal A will approve or deny the transfer of the funds" (page 18, lines 1-2), validating that the request is indeed not only *"reaching its processing host system"*, but also that the host system is *"ultimately responsible for approving or denying the charge"*.

Finally, on page 14, lines 14-17, the specification states: "When a trigger request is issued by a terminal connected to the trigger server (Fig. 3), the terminal A first obtains the source account approval information from

the trigger server D, before connecting to its host B to seek approval for the transaction", clearly substantiating that transaction request 40 between terminal A and account institution B occurs "prior to said prospective credit or debit transaction request reaching its financial institution's processing host system ultimately responsible for approving or denying the charge".

The Examiner also claims that no support exists for the claim limitation, "*...said delivery of the previously set borrowing account in response to a request carrying the corresponding authorization code.*"

Again, Figure 3 explains that the delivery of the account occurs as a result of a request carrying the secret code: "The collection terminal requests a funds transfer... ...providing instead of an account approval information, a secret code 405... ...to acquire the source account information 401 from trigger server D" (page 17, lines 13-16).

Figure 3 also clearly shows that the trigger server is the one "*delivering the borrowing account*" (401), and that the delivery of the account (401) occurs as a response to trigger request 4000 carrying the corresponding secret code 405.

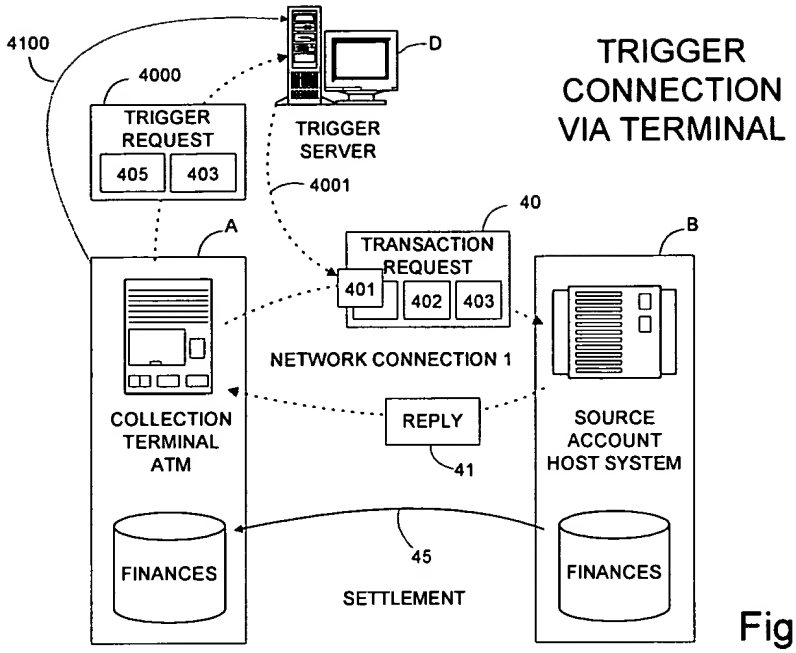

Fig. 3

The fact that each secret code (405) is mapped to, and corresponds to an individual account/approval is a basic functional premise of the trigger system and support for it can be found throughout the specification, as in:

"They are debit and credit transaction approvals stored under a logical secret code for remote future use" (page 21, lines 8-9); and

"delivery of the stored approval information to the first terminal or host presenter of the matching secret code" (page 21, lines 11-12).

Figure 3, clearly demonstrates also that the delivery of the account (401) on reply (4001) occurs off of a direct request 4000 carrying the secret code 405.

"...a trigger server which stores account information, authorization and secret code; and a requesting terminal at which the first to provide the secret code is given the source account approval information" (page 13, lines 11-14).

Other references corroborate that the transaction has been previously set, to be later used via its secret code:

"...delivery of the previously stored source account information to the first presenter of its matching secret code" (page 35, lines 17-18); and

"...an input terminal in which a source accountholder provides data indicating a source account... ...all of which are transmitted to a trigger server which stores source account information... ...and a requesting terminal at which the first to provide the secret code is given the source account... ...for a transaction... ...to the institution in which the previously provided source account is maintained" (page 12, lines 1-10).

The original application, as filed, refers to the account in a generic manner, calling it "source account approval information" or "approval information". Such language is meant to remind us that not only is the account number itself stored by the trigger server and passed back to the terminal, but also any other necessary "approval

information" (PIN number for a debit card or maybe a zip code for a credit card) necessary for the effective use of the account.

The trigger system is configured to store and simulate the delivery of the account plus PIN number (or other required "approval" data) as if they had been supplied directly by the accountholder himself as evidenced in:

"...a system that supplies account approval information for credit and debit transactions to terminals... ...committing itself to a single successful delivery of the previously stored source account information to the first presenter of its matching secret code... ...so it can be used as if the requestor for the funds were the... ...cardholder, with his card, providing his pin number, at the time and terminal where the request originates." (page 35, lines 15-21).

Although the particular adjectives, "borrowing" for the account and "authorization" for the secret code , have not been explicitly used in the specification, it is not a stretch to argue that the secret code is used to "authorize" the use of the account on a subsequent charge request, therefore properly called an "authorization code".

"The system binds charge approvals to secret codes that can be easily transferred to others and used across multiple

terminals. Triggered authorizations allow for fixed amount account authorizations to be transferred to others as the right for a predefined cap amount charge attempt against a particular account under predetermined conditions" (page 32, lines 6-10).

With regard to the term "borrowing" when referring to the account, such term serves to more clearly express that the account belongs most likely to someone other than the individual downloading and using it (who is therefore indeed "borrowing" it from the accountholder for a transaction in his/her behalf).

The adjective was introduced mainly to facilitate the understanding of the art and to more clearly exemplify the concept of someone utilizing someone else's account, which is well documented and disclosed throughout the original specification.

In the original text, there are numerous references to the fact that the person attempting the charge and utilizing the account 401 in transaction request 40 is most likely not the original owner of the account, which substantiates the concept of "borrowing" the account from its original owner.

Such references can be found in phrases such as:

"allows an accountholder to authorize charges and withdrawals to be presented later by someone other than the accountholder and who may have no relationship to the institution where the accountholder's account is maintained." (page 2, lines 15-18).

"It is a further object of the invention to provide a system that allows accountholders to authorize withdrawals and charges to be presented by someone other than the accountholder and who may have no relationship to the institution where the account is maintained" (page 10, lines 1-4).

"Enabling account withdrawals and charges by someone other than an accountholder" (page 12, line 5).

"Providing access to charges and withdrawals by someone other than an accountholder and who may be unrelated to the institution where the account is maintained" (page 33, line 21, to page 34, line 2).

The use of the adjective "borrowing" to describe the functional use of the account was introduced simply to clarify the process and to facilitate the understanding of the patent itself, by expressing the fact that the person downloading the account and using it in his/her behalf is most likely not the owner of the account, thereby

"borrowing" the account from the original owner for a withdrawal or charge attempt (40) under the owner's consent (consent expressed by the knowledge of the secret code itself, initially known only to the accountholder and then passed to the "borrower" of the account).

The language stating that the *"delivery of the previously set borrowing account"* is *"in response to a request carrying the corresponding authorization code" since this* feature is in itself, the basis of the entire trigger system, where an individual uses a pre-established secret code to download and use someone else's account under pre-defined conditions.

This basic principal is again thoroughly displayed and recited not only in Figure 3, but also in several passages like "an individual at the institution A... ...requests a funds transfer... ...providing instead of an account approval information, a secret code 405 needed... ...to acquire the source account information 401 from trigger server D. If reply 4001 is approved, source account information is made available to terminal A, so that terminal A can attempt a transaction request 40... ...to the host system at the institution B at which the source account 401 is maintained" (page 17, lines 12-19).

Page 21, lines 15-17 also mention that the trigger server is "responsible for providing the source account approval information for a transaction up to its cap value to whichever beneficiary host or terminal presents the matching secret code" (please note that instead of host or terminal, only the terminal implementation will be supported due to the recent added limitation).

This concept is again substantiated in several different paragraphs of the original application, such as:

"It allows for source account approvals used in credit and debit transaction requests to be received and safely stored (encrypted) by a third party system (the trigger server D) so that account approval can be used later by other terminals through its secret code" (page 31, lines 13-16).

"...a requesting terminal at which the first to provide the secret code is given the source account approval information for a transaction up to the cap limit to the institution in which the previously provided source account is maintained" (page 11, lines 7-10).

"The trigger's host system will acknowledge... ...the right to a single successful delivery of the stored approval

information to the first terminal... ...presenter of the matching secret code" (page 20, lines 10-12).

As ground for rejection, the Examiner also claims no support for:

"...*Information from the trigger server, said request a separate communication session independent of the financial transaction itself..."*

Going back to the terminal implementation of the trigger system (Figure 3), it may be seen that there are two different and independent sets of requests (4000 and 40): one to the trigger server (4000) to acquire the account (401) and another (40) to the account host (B) to attempt a charge or withdrawal.

In the first one, terminal A posts a request 4000 to trigger server D containing the secret code 405 in an attempt to acquire the account information 401. Request 4000 can be considered a "download account" request between the terminal A and the trigger server D.

If the trigger request 4000 is approved in reply 4001, and the terminal successfully downloads account 401, a separate transaction request 40 is then initiated seeking a charge or withdrawal against account's host B.

The charge request 40 carries the account information 401 received from the trigger server D and it is, by design, independent of the trigger process responsible for the downloading of the account itself.

Terminal A and host B will ultimately negotiate and engage in a transaction "privately", with host B approving or denying transaction request 40 directly to terminal A via reply 41.

The independence of the trigger server from the overall transaction is intrinsic and inherent to the trigger system and is confirmed by a number of statements in the original specification, such as:

"The system and method of the invention allows terminals and hosts equipped with enabling software, to collect the source account approval information from the trigger system, outside their private transaction" (page 14, lines 19-21).

"It is a further object of the invention to provide a system where the service provider institution is not required to be participant in the actual financial transaction between the requesting terminal and source account institution" (page 10, lines 13-15).

"A reply 41 to the request 40 from source account institution B to collection terminal A will approve or deny the transfer of the funds. In case of approval on reply 41, settlement for the transfer of funds 45 will occur directly from source account institution B to collection terminal institution A." (page 18, lines 1-4).

"In addition, it is intended to protect the privacy and security of the transaction between terminal and host, separating the process by which the host or terminal acquire the source account approval information for the transaction from the process where the terminal-host private financial transaction and money transfer occurs." (page 23, lines 12-16).

"Host and terminal will then in a separate transaction, validate or not validate such credit or debit transaction using the source account information provided by the trigger server." (page 27, lines 15-17).

"In the trigger system, the trigger server D does not participate in the money transfer transaction itself" (page 14, lines 11-12).

"It is a disconnected system designed in a way that the collection terminal institution A and the source account institution B are the ones performing the transaction...

...among each other without the participation of the institution that provides the source account approval information D" (page 16, lines 1-5).

The Examiner also concludes that "...*enabling said financial institution's processing host system to receive said transaction request along with said downloaded account and associated account approval information necessary for the effective use of the account*" is not supported by the initial filling.

Figure 3 and its associated description clearly points out that the account received by host B in request 40 is again given by the trigger server: "The transaction request 40 is comprised of source account information 401 received from a trigger server D" (page 17, lines 19-20).

Also, given that account information (credit or debit card info plus pin/approval) is a requirement for the financial institution to process the transaction, one can correctly affirm that the trigger server (D), by supplying the account (401), enabled the transaction to occur, in view of the fact that no transaction could ever be accomplished without it.

The transaction request 40 can ultimately only be processed by account host (B) because the account (401) is

supplied by the trigger server (D). Therefore, the trigger server is correctly stated to be the enabler of the transaction (40). It is also correct to state that the account information (401) is *"necessary for the effective use of the account"* since no transaction is possible unless the terminal collects the account and necessary approval information 401 from the trigger server (D).

The Examiner also finds lack of support for indicating that the trigger server is ultimately the one who enables the credit card host system to receive the account information (credit card data plus approval/pin) *"in place of the authorization code initially presented to said terminal as the alternative payment method for said prospective credit or debit transaction"*.

Support for this may be found throughout the original specification, for example:

"...an individual at the institution A that maintains the collection terminal requests a funds transfer for an amount 403 providing instead of an account approval information, a secret code 405 needed by the trigger request 4000 to acquire the source account information 401 from trigger server D" (page 17, lines 12-16).

The specification as well as the drawings unequivocally recite and display that the terminal receives a secret code instead of the account information and that the secret code is used by the terminal to request (4000) the account (401) from the trigger server (D). Once the account information (401) is downloaded (4001), it is used in prospective transaction 40.

Figure 3 also shows that the transaction request 40 between terminal A and host B does not carry the secret code 405, but instead, carries the account information 401 downloaded from the trigger server D and required by the host (B) to perform a transaction 40.

The fact that the trigger system allows a transaction to be initiated by a terminal receiving an authorization code (secret code) instead of an account, and utilize the secret code to download the account information to be sent in transaction request 40, clearly supports the statement that the secret code is an alternative payment method for the transaction since from a customer's perspective, the "authorization code" is the instrument used as the money source for the transaction.

Similarly, in applicant's view, there should be little dispute that the account 401, once received from trigger

server D in reply 4001, is used as the charge account (transaction request 40) *"in place of the authorization code initially presented to said terminal as the alternative payment method for said prospective credit or debit transaction".*

The use of the term, "*alternative payment method*", relates to the fact that the trigger system is not only a payment system as described by quotes such as:

"...intended to provide financial institutions and their customers, cardless triggered money transfer and payment capabilities" (page 29, lines 4-5).

"The system provides money transfer and payment capabilities using existing accounts, to access terminals and networks" (page 30, lines 16-17).

"They are... ...pre-approved-charge-requests, which provide cash and credit accountholders... ...cardless withdrawals, money transfers and payment capabilities based on secret codes" (Page 20, Lines 5-8).

The use of the word "alternative" also refers to the fact that this new "trigger payment method" does not yet exist and therefore is considered "alternative" to the existing payment methods currently available to customers.

The Examiner has apparently overlooked the support, in applicant's original disclosure, for the affirmation that *"the account and associated account approval information to be used in the transaction"* and *"the account and associated account approval information to be used in the prospective credit or debit transaction between the terminal and host"*.

References that the account and approval information downloaded by terminal (A) from the trigger system (D) are intended to be used in transaction 40 between the terminal (A) and the host (B) are not only evident in Figure 3, but also as well in numerous other paragraphs, for example:

"Terminals and hosts on the trigger system perform transactions between each other utilizing approvals collected from the trigger system, instead of from the accountholder" (page 35, lines 1-3).

"When a trigger request is issued by a terminal connected to the trigger server (Fig. 3), the terminal A first obtains the source account approval information from the trigger server D, before connecting to its host B to seek approval for the transaction." (page 13, lines 14-17).

"If reply 4001 is approved, source account information is made available to terminal A, so that terminal A can attempt a transaction request 40... ...to the host system at the

institution B at which the source account 401 is maintained. The transaction request 40 is comprised of: source account information 401 received from a trigger server D" (page 17, lines 16-20).

"The trigger system provides source account and approval information for transactions between a terminal and an account institution through electronic transmission methods" (page 31, line 19, to page 32, line 1).

"The purpose of the invention is to store and forward approvals for transactions between terminals and hosts" (page 33, lines 19-21).

In summary, the Examiner's rejection is based on the premise that the original filing had no support for the following main concepts recited in the newly modified claims:

1) Secret code is given to the terminal as alternative payment method for the transaction.

> *"authorization code initially presented to said terminal as the alternative payment method for said prospective credit or debit transaction."*

2) Secret code is used by terminal to acquire the corresponding account from the trigger server.

"said delivery of the previously set borrowing account in response to a request carrying the corresponding authorization code."

3) The account downloaded from the trigger server is used in a transaction between the terminal and the host.

"said account and associated account approval information to be used in said transaction, said account and associated account approval information to be used in said prospective credit or debit transaction between said terminal and host."

4) Host receives a transaction request from the terminal with account information instead of with secret code.

"in place of the authorization code initially presented to said terminal".

5) Download of account information occurs before the charge request is sent to the host.

"prior to said transaction reaching its processing host system and prior to said prospective credit or debit transaction request reaching its processing host

system and prior to said prospective credit or debit transaction request reaching its financial institution's processing host system".

6) Delivery of the account between the trigger server and the terminal is independent of the charge transaction between the terminal and the account host.

"Information from the trigger server, said request a separate communication session independent of the financial transaction itself".

7) Host is responsible for approving or denying the charge.

"processing host system ultimately responsible for approving or denying the charge" and "financial institution's processing host system ultimately responsible for approving or denying the charge".

8) The Trigger server is the one enabling the host to receive the account in the transaction request instead of the secret code initially presented to the terminal.

"enabling said financial institution's processing host system to receive said transaction request along

with said downloaded account and associated account approval information necessary for the effective use of the account".

In reply, applicant submits that the original disclosure of this application, which includes its described terminal implementation, drawings and claims, as well as all above mentioned references, unequivocally demonstrates that:

1) A secret code is given to the terminal as alternative payment method for the transaction, 2) a secret code is used by terminal to acquire the corresponding account from the trigger server, 3) the account downloaded from the trigger server is used in a transaction between the terminal and the host, 4) the host receives transaction request from terminal with account information instead of with secret code, (5) download of account information occurs before the charge request is sent to the host, (6) delivery of the account between the trigger server and the terminal is independent of the charge transaction between the terminal and the account host, (7) the host is responsible for approving or denying the charge, and (8) the trigger server is the one enabling the host to receive the account in the transaction request instead of the secret code

initially presented to the terminal. See Fig 3; page 2, lines 15-18; page 10, lines 1-4, 13-15; page 11, lines 7-10; page 12, lines 1-10; page 13, lines 11-17; page 14, lines 11-12, 14-17, 19-21; page 16, lines 1-5, 12-15; page 17, lines 12-20; page 18, Lines 1-4; page 20, lines 5-8, 10-12; page 21, lines 8-9, 11-12, 15-17; page 23, lines 12-16; page 27, lines 15-17; page 29, lines 4-5; page 30, lines 16-17; page 31, lines 13-16, 19 to page 32, line 1; page 32, lines 6-10; page 33, line 19 to page 34, line 2; page 35, lines 1-3, 15-21, 17-18 and page 38, lines 11-14.

In conclusion, therefore, it is respectfully submitted that the limitations now included in the claims, not only "reasonably convey to one skilled in the relevant art that the inventor, at the time the application was filed, had possession of the claimed invention", but unquestionably prove that the limitations have always been an intrinsic part of the original art, fully recited and supported as the terminal implementation of the trigger system (Fig 3).

The inclusion of these limitations in the claims is nothing more than an attempt to distinguish the invention from other cited prior art, by excluding one of the two initially proposed implementations of the trigger system (the host-to-host implementation) with language more

pertinent to the terminal only implementation of the system and method.

The remaining terminal implementation of the trigger system as well as the modified claim language aimed to properly disclose its boundaries is thus believed to be fully supported by the initial drawings and the corresponding description in the specification.

Consequently, for all the reasons given above, this application is believed to be in condition for immediate allowance. A formal Notice of Allowance is accordingly respectfully solicited.

Respectfully submitted,

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on April 4, 2007
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